

Message Text

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SUBJ: ESSENTIALS OF LEVESQUE SPEECH TO ECONOMIC CLUB OF NEW YORK

1. MUCH ANTICIPATED SPEECH BY QUEBEC PREMIER TO ECONOMIC CLUB OF NEW YORK FOCUSED MORE, IN POINT OF TIME, ON GOAL OF INDEPENDENCE THAN ON ECONOMIC SPECIFICS. FIRST EIGHT PAGES DEALT WITH ALLEGED SIMILARITY BETWEEN QUEBEC'S PRESENT POSITION AND THAT OF US IN 1776, CULMINATING IN QUOTE OF ENTIRE FIRST SENTENCE OF DECLARATION OF INDEPENDENCE WHICH HE SAID COULD HAVE BEEN HIS FIRST SENTENCE. I.E., HE WAS THERE TO "DECLARE THE CAUSES WHICH IMPEL THEM TO SEPARATION." REST OF THIS SEGMENT DREW PARALLEL TO FRENCH DEFEAT A FEW YEARS BEFORE OUR REVOLUTION BEGAN, RAN THROUGH "A TENUOUS PLANT FOR TWELVE GENERATIONS" WHICH IS NOW SO FULLY DEVELOPED THAT INDEPENDENCE AT THIS POINT IS "NORMAL AND INEVITABLE." "THE IMPORTANT QUESTION NOW IS NOT WHETHER QUEBEC WILL BECOME INDEPENDENT OR EVEN WHEN BUT HOW."

2. HAVING SET FRAMEWORK, LEVESQUE TRIED ALLEVIATE CONCERNS RE CHANGE IN POLITICAL STATUS BY EXPOSITION ON FRENCH-CANADIAN DESIRE FOR "CONTINUITY." CHANGE MUST BE DEMOCRATIC AND ORDERLY, NOT INFECTED BY PANIC. FIRST THERE WAS THE SOCIOLOGICAL "QUIET UNCLASSIFIED

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REVOLUTION," NOW THE POLITICAL "QUIET INDEPENDENCE," WHICH WILL NOT COME UNTIL A REFERENDUM ESTABLISHES THAT THE PEOPLE WANT IT. THIS CAN COME ONLY AFTER ALL ADVOCATES OF ALL VIEWS HAVE HAD TIME TO PREPARE; THUS QUEBEC WILL REMAIN A STABLE SOCIETY, BASED ON SOCIAL AND ECONOMIC STABILITY.

3. NEXT EMPHASIS WAS ON ECONOMIC CONTINUITY WITH CANADA, I.E.,

NEW TIES PERMITTING COOPERATION "WITHOUT HURTING EACH OTHER." HE RANGED FROM "JOINT VENTURING" THROUGH A CUSTOMS UNION TO POSSIBLE MONETARY UNION, WHICH "WOULD PERMIT POLITICAL CHANGE WHILE MINIMIZING ECONOMIC UNCERTAINTY. HE SAID INDEPENDENCE THUS MEANS BOTH INNOVATION AND CONTINUITY.

4. RE SPECIFIC ECONOMIC POLICIES, WHICH HE STRESSED STEMMED FROM PROVINCE-WIDE CONSULTATIONS AMONG PARTY MEMBERS, HIS EMPHASIS WAS ON CHANGE WITHOUT DISRUPTION; I.E., CHANGE WOULD BE GRADUAL, WITH SOME MEASURES COMING WHILE IN PROVINCIAL STATUS AND SOME ONLY AFTER INDEPENDENCE. THE SOCIAL-DEMOCRATIC GUIDELINES (AGAIN COMPARED TO SWEDEN "AND GREAT BRITAIN AND EVEN SOME OTHER CANADIAN PROVINCES") CALL FOR DECENTRALIZATION, MORE EQUALIZATION AMONG REGIONS OF THE PROVINCE, MORE HUMAN OPERATIONS, MORE INTEGRITY, AND BETTER LABOR RELATIONS. EMPHASIZED NEED TO LIVE WITHIN ONE'S MEANS AND THAT PQ RECOGNIZES THAT FOREIGN MARKETS FOR MONEY ARE NOT INEXHAUSTIBLE. ERGO, THEY MUST KEEP SPENDING GROWTH COMPATIBLE WITH OR NEAR NORMAL TAX INCOME INCREASES AND AVOID "SPREES" LIKE THE OLYMPICS. EMPHASIS MUST BE ON DEVELOPMENT OF NEW EQUIPMENT. NOTED THAT HYDRO-QUEBEC'S GOOD FINANCIAL BACKING WILL CONTINUE AS VAST PROJECT NEEDED, WITH REFERENCE TO NORTH/SOUTH EXCHANGES OF ENERGY.

5. DREW ATTENTION TO NEGATIVE PSYCHOLOGICAL EFFECT OF "INSTITUTIONAL BELIEF" IN INDEPENDENCE ON FOREIGN DEVELOPMENT SOURCES AND ASSERTED PQ WILL CALL ON FULL POTENTIAL AND DIVERSITY OF LOCAL SAVINGS AND ENTERPRISE. HOWEVER, THIS NOT INTENDED TO DISCOURAGE INVESTMENT WHICH WILL BE WELCOMED TO EXTENT IT PREPARED TO RESPECT QUEBEC LANGUAGE AND CULTURE -- "ALL ANY

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SELF-RESPECTING COUNTRY WOULD REQUIRE."

6. DESCRIBED INVESTMENT CODE "NOT AS A FIRAS BUT SECTORIAL." WANTS CONTROL OVER BANKING, MASS MEDIA AND PUBLICATIONS, BUT THIS PROJECT WILL HAVE TO WAIT TILL AFTER INDEPENDENCE. AVERRED PQ INTENDS NO "DIRECT IMPORTANT TAKEOVERS OR NATIONALIZATIONS" WITH EXCEPTION OF LONG-STANDING AND OFTEN STATED INTENT RE MINING AND PROCESSING OF ASBESTOS, AN INDUSTRY ABOUT WHICH THEY WILL HAVE TO TAKE ACTION BECAUSE OF "POISONOUS WORKING CONDITIONS" AND TO TAKE ADVANTAGE OF THEIR POSITION AS A MAJOR EXPORTER. HOWEVER, HE STATED EXPLICITLY, NO NATIONALIZATION OF OTHER MINING INDUSTRIES SUCH AS IRON, COPPER OR ALUMINUM, NOR OF PULP AND PAPER INDUSTRY. THEY DO HAVE INTEREST IN MORE CONTROL OVER FORESTRY, BUT FROM STANDPOINT OF HUSBANDRY WHICH, HE SAID, INDUSTRY GIANTS AGREE WITH. DREW PARTICULAR ATTENTION (AS DID JACQUES PARIZEAU IN INTERVIEW ON SUNDAY) TO FACT THAT PARTY CONVENTION VOTED VERY SUBSTANTIALLY AGAINST NATIONALIZING BELL CANADA, AS EXTRA (PRESUMABLY) REASSURANCE ON THIS SENSITIVE ISSUE. ERGO, PQ POLICY "IS NOT DOGMATIC BUT PRAGMATIC." NOTED CONTINUED

READINESS TO ENTER INTO JOINT VENTURES WITH PRIVATE CAPITAL
AS HAVE SIDBEQ AND SOQUEM IN THE PAST.

7. RETURNED TO "GOOD NEIGHBOR" THEME RE BOTH CANADA AND U.S.,
IN VIEW INTERLOCKING INTERESTS AND VALUES, BUT CLOSED WITH
"FEROCIOS DETERMINATION" THAT "WE'RE GOING TO MAKE IT (I.E.,
INDEPENDENCE), IF ONLY BECAUSE WE CAN'T AFFORD NOT TO."

8. COMMENT, COORDINATED AT EMBASSY, FOLLOWS SEPTEL.
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